

**CONTRACT #1**  
**RFS # 309.01-090**

**Treasury Department**  
**Division of Unclaimed**  
**Property**

**VENDOR:**  
**Affiliated Computer Services,**  
**Inc.**

# REQUEST: NON-COMPETITIVE CONTRACT RECEIVED

JAN 12 2006

## FISCAL REVIEW

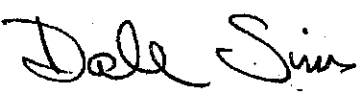
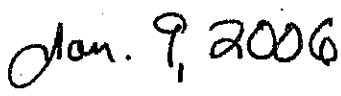
APPROVED

Commissioner of Finance & Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A request can not be considered if information provided is incomplete, non-responsive, or does not clearly address each of the requirements individually as required.

1) RFS #	309.01-090	
2) State Agency Name :	Tennessee Treasury Department	
3) Service Caption :	Provision of abandoned property processing and custodial administrative services to the State in connection with the Uniform Disposition of Unclaimed Property Act.	
4) Proposed Contractor :	Affiliated Computer Services, Inc.	
5) Contract Start Date : (attached explanation required if date is < 60 days after F&A receipt)	March 15, 2006	
6) Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	March 14, 2009	
7) Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$3,000,000.00	
8) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state	
	<input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
9) Description of Service to be Acquired :		
See Attached Memorandum Dated January 9, 2006		
10) Explanation of the Need for or Requirement Placed on the Procuring Agency to Acquire the Service :		
11) Explanation of Whether the Procuring Agency Bought the Service in the Past, & if so, What Procurement Method It Used :		
12) Name & Address of the Proposed Contractor's Principal Owner(s) : ( <u>not</u> required if proposed contractor is a state education institution)		
13) Evidence of the Proposed Contractor's Experience and Length of Experience Providing the Service :		

<b>14) Documentation of Office for Information Resources Endorsement :</b> (required <u>only</u> if the subject service involves information technology)		
select one:	<input checked="checked" type="checkbox"/> Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
<b>15) Documentation of Department of Personnel Endorsement :</b> (required <u>only</u> if the subject service involves training for state employees)		
select one:	<input checked="checked" type="checkbox"/> Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
<b>16) Documentation of State Architect Endorsement :</b> (required only if the subject service involves construction or real property related services)		
select one:	<input checked="checked" type="checkbox"/> Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
<b>17) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :</b>  		
<b>18) Justification of Why the State Should Use Non-Competitive Negotiation Rather Than a Competitive Process :</b> (Being the "only known" or "best" service provider to perform the service as desired will not be deemed adequate justification.)  		
<b>REQUESTING AGENCY HEAD SIGNATURE &amp; DATE :</b> (must be signed & dated by the <u>ACTUAL</u> procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)		
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 45%;">  </div> <div style="width: 45%;">  </div> </div>		
Agency Head Signature		Date

STATE OF TENNESSEE



DALE SIMS  
STATE TREASURER

TREASURY DEPARTMENT  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0225

MEMORANDUM

TO: The Honorable M. D. Goetz, Jr., Commissioner  
Department of Finance and Administration

FROM: Dale Sims, Treasurer *Dale Sims*  
Department of the Treasury

DATE: January 9, 2006

RE: *Noncompetitive Contract Request – Unclaimed Property Processing and  
Custodial Services Contract for the Division of Unclaimed Property*

BACKGROUND

The Unclaimed Property Act authorizes the Treasury Department to enter into contracts with companies for the purpose of assisting the Department in carrying out the Act. Since numerous companies exist outside the State of Tennessee who are not regularly reporting unclaimed property (or not reporting at all) as required, it is necessary the Department contract for the identification and collection from persons, firms and entities that are holding or in possession of unclaimed property subject to report and delivery under the Act.

The Tennessee Treasury Department has an existing contract with Affiliated Computer Services, Inc. (ACS) that will expire on March 14, 2006. The contract was for a five-year term. Under the contract, ACS locates holders of unclaimed property who are subject to the Tennessee Unclaimed Property Act and who are not regularly reporting to Tennessee. ACS processes the records of such holders in compliance with Tennessee law. After such processing, ACS, on behalf of Tennessee, demands the report and delivery of all categories of unclaimed property. Such property is reported to ACS where the property is maintained, segregated and disbursed to the Tennessee Unclaimed Property Division. In addition, ACS acts as the State's custodian for the safekeeping and servicing of securities (stocks and bonds) identified and collected on behalf of the State from holders of unclaimed property.

Compensation for the processing services is 12.5% of the value of the net abandoned property actually received by the State. Prior to 2003, the State paid ACS for custodial administrative services with respect to unclaimed securities. The fee was a specific dollar amount per security. The fee depended on the type service involved, e.g., receipt of a DTC book entry security was \$12.00 each, receipt of a physical security was \$20.00 each, a physical security transfer was \$18.00 each, corporate action processing of physical

securities was \$42.50 each and etc. In July 2003, the Department successfully renegotiated the fees payable to ACS. Specifically, ACS agreed not to charge the State for the custodial administrative services. Further, ACS agreed not to charge a fee on any property recovered for the State if the unclaimed property holder is incorporated in Tennessee. In addition, ACS would not charge a fee on any property recovered from a holder whose books had previously been reviewed/audited by ACS and which review resulted in abandoned property being paid to the State by the holder. ACS agreed to this "State-favored" fee arrangement for a three-year period.

## **I.**

### **DESCRIPTION OF SERVICE TO BE ACQUIRED**

ACS has agreed to enter into a new contract with the State whereby ACS would perform the services described above for an additional three-year period based on the same "State-favored" fee arrangement as under the current contract. Specifically, ACS will only be entitled to compensation under such contract if unclaimed property is actually delivered to and received by the State as a result of ACS's unclaimed property location and processing services. The compensation would be 12.5% of the value of the net abandoned property actually delivered to and received by the State. ACS would be responsible for all direct and indirect costs and expenses it incurs in performing the unclaimed property processing services. Further, ACS has agreed not to charge a fee for the custodial administrative services, nor to charge a fee on any property recovered for the State if the unclaimed property holder is incorporated in Tennessee. In addition, ACS will not charge a fee on any property recovered from a holder whose books had previously been reviewed/audited by ACS and which review resulted in abandoned property being paid to the State by the holder.

## **II.**

### **EXPLANATION OF THE NEED FOR OR REQUIREMENT PLACED ON THE PROCURING AGENCY TO ACQUIRE THE SERVICE**

As previously stated under "Background", the Treasury Department is responsible for administering Tennessee's Unclaimed Property Act. Under the Act, companies within and outside the State of Tennessee are required to turn over to the State unclaimed property belonging to its residents. The Act authorizes the Treasury Department to enter into contracts with companies for the purpose of assisting the Department in carrying out the Act. Since numerous companies exist outside the State of Tennessee who are not regularly reporting (or not reporting at all) as required, it is necessary the Department procure contracts for the identification and collection from persons, firms and entities that are holding or in possession of unclaimed property subject to report and delivery under the Act.

ACS has agreed to renew its contract with the State for a three-year period based on the current "State-favored" fee arrangement. The Department would like to take advantage of the favorable fee arrangement since the State may not be able to negotiate such an arrangement in the future. ACS's fee is consistent with the market place, and consistent with the fee they charge other state unclaimed property programs.

**III.**

**EXPLANATION OF WHETHER THE PROCURING AGENCY BOUGHT THE SERVICE IN THE PAST, AND IF SO, WHAT PROCURMENT METHOD IT USED**

The Treasury Department has an existing contract with ACS that was procured through non-competitive negotiation since ACS was the only entity providing unclaimed property processing services for all categories of property, including unclaimed securities processing and custodial services for stocks and bonds. The Treasury Department also has current contracts with Audit Services U.S., LLC (ASL) and Kelmar Associates, L.L.C. (Kelmar) that were procured through non-competitive negotiation. Under these contracts, ASL and Kelmar also locate holders of unclaimed property who are subject to the Unclaimed Property Act and who are not regularly reporting to Tennessee. ASL's unclaimed property processing services involve general categories of unclaimed property, and Kelmar specializes in "general ledger" unclaimed property services. By having these three contracts, the Treasury Department has tripled its out-of-state search capacity. ASL and Kelmar do not provide custodial services for stocks or bonds.

**IV.**

**NAME AND ADDRESS OF THE PROPOSED CONTRACTOR'S PRINCIPAL OWNER(S)**

ACS is a publicly traded company, which means that ACS is owned by numerous individual investors who have purchased its stock.

**V.**

**EVIDENCE OF THE PROPOSED CONTRACTOR'S EXPERIENCE AND LENGTH OF EXPERIENCE IN PROVIDING THE SERVICE**

ACS was founded in 1971. Since 1984, ACS has provided comprehensive unclaimed property reporting and support services to over 12,000 organizations, and is the leading provider of unclaimed property support services to state governments. Currently, ACS contracts with all fifty states, the District of Columbia and Puerto Rico to provide services related to the identification, collection and remittance of unclaimed property.

Its executive team has a broad combination of public and private sector experience. Members of ACS's staff have advised or administered state unclaimed property programs, designed unclaimed property software and systems, drafted legislation, and authored treatises on unclaimed property. ACS maintains a 32,000 square-foot operation in Boston's Financial District and employs over 120 individuals devoted exclusively to unclaimed property.

**VI.**

**DOCUMENTATION OF OFFICE FOR INFORMATION RESOURCES  
ENDORSEMENT (REQUIRED ONLY IF THE SERVICE INVOLVES  
INFORMATION TECHNOLOGY)**

N/A

**VII.**

**DOCUMENTATION OF DEPARTMENT OF PERSONNEL ENDORSEMENT  
(REQUIRED ONLY IF THE SERVICE INVOLVES TRAINING FOR STATE  
EMPLOYEES)**

N/A

**VIII.**

**DOCUMENTATION OF STATE ARCHITECT ENDORSEMENT  
(REQUIRED ONLY IF THE SUBJECT SERVICE INVOLVES CONSTRUCTION  
OR REAL PROPERTY RELATED SERVICES)**

N/A

**IX.**

**DESCRIPTION OF PROCURING AGENCY EFFORTS TO IDENTIFY  
REASONABLE, COMPETITIVE, PROCUREMENT ALTERNATIVES  
(RATHER THAN TO USE NON-COMPETITIVE NEGOTIATION)**

ACS specializes in unclaimed securities processing and custodial services and is the primary contract examination firm for state governments relative to unclaimed securities. If Tennessee does not enter into a contract with ACS, then it is likely that unclaimed securities otherwise due Tennessee citizens will go unreported and undelivered to Tennessee. Further, ACS has agreed to renew its contract with the State for a three-year period based on the current "State-favored" fee arrangement. The Department would like to take advantage of the favorable fee arrangement since the State may not be able to negotiate such an arrangement in the future.

**X.**

**JUSTIFICATION OF WHY THE STATE SHOULD USE NON-COMPETITIVE  
NEGOTIATION RATHER THAN A COMPETITIVE PROCESS**

As previously stated, ACS specializes in unclaimed securities processing and custodial services and is the primary contract examination firm for state governments relative to securities. If Tennessee does not enter into a contract with ACS, then it is likely that unclaimed securities otherwise due Tennessee citizens will go unreported and undelivered to Tennessee. Further, by entering into a contract with ACS, the Department would continue to triple its out-of-state search capacity while continuing to benefit from the current "State-favored" fee arrangement.

## 010606

RFS #		Contract #	
309.01-090		FA-	
State Agency		State Agency Division	
Tennessee Treasury Department		Unclaimed Property	
Contractor Name		Contractor ID # (FEIN or SSN)	
Affiliated Computer Services, Inc.		<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 51-0310342	
Service Description			
The Contractor will provide abandoned property processing and custodial administrative services to the State in connection with the Uniform Disposition of Unclaimed Property Act.			
Contract Begin Date		Contract End Date	
March 15, 2006		March 14, 2009	
SUBRECIPIENT or VENDOR?		CFDA #	
Mark Each TRUE Statement			
<input checked="" type="checkbox"/> Contractor is on STARS		<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts	
Allotment Code		Cost Center	
313.20		88	
Object Code		Fund	
083		11	
Funding Grant Code		Funding Subgrant Code	
FY		State	
2006		\$750,000	
2007		\$1,000,000	
2008		\$1,000,000	
2009		\$250,000	
TOTAL:		\$3,000,000	
COMPLETE FOR AMENDMENTS ONLY			
FY		Base Contract & Prior Amendments	
		THIS Amendment ONLY	
TOTAL:			
End Date:			
State Agency Fiscal Contact & Telephone #			
Mary Roberts-Krause, General Counsel 10 <sup>th</sup> Floor, Andrew Jackson Building (615) 741-8202, extension 104			
State Agency Budget Officer Approval			
Funding Certification (certification required by T.C.A. §9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)			
Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)			
<input type="checkbox"/> African American <input type="checkbox"/> Person w/ Disability <input type="checkbox"/> Hispanic <input type="checkbox"/> Small Business <input checked="" type="checkbox"/> NOT minority/disadvantaged			
<input type="checkbox"/> Asian <input type="checkbox"/> Female <input type="checkbox"/> Native American <input type="checkbox"/> OTHER minority/disadvantaged—			
Contractor Selection Method (complete for ALL base contracts—N/A to amendments or delegated authorities)			
<input type="checkbox"/> RFP <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Alternative Competitive Method			
<input checked="" type="checkbox"/> Non-Competitive Negotiation <input type="checkbox"/> Negotiation w/ Government (GG or GU) <input type="checkbox"/> Other			
Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)			



**CONTRACT**  
**BETWEEN**  
**THE STATE OF TENNESSEE, TREASURY DEPARTMENT**  
**AND**  
**AFFILIATED COMPUTER SERVICES, INC.**

THIS CONTRACT, by and between the State of Tennessee, Treasury Department, hereinafter referred to as the "State", and Affiliated Computer Services, Inc., hereinafter referred to as the "Contractor", is for the provision of abandoned property processing services to the State, as further defined in the "SCOPE OF SERVICES". The Contractor is a for-profit corporation having its principal office located at 260 Franklin Street, 11<sup>th</sup> Floor; Boston, Massachusetts 02110. The Contractor's place of incorporation or organization is the State of Delaware.

WITNESSETH: In consideration of the mutual promises herein contained, the parties have agreed and do hereby enter into this Contract according to the provisions set out herein:

***A. SCOPE OF SERVICES:***

***1. Appointment as Agent.*** The State hereby appoints the Contractor as agent for the State of Tennessee pursuant to Tennessee Public Acts of 1987, Chapter 43, for the purpose of assisting the State in carrying out certain provisions of the Tennessee Uniform Disposition of Unclaimed Property Act.

***2. Identification and Collection of Abandoned Property.***

a. The Contractor shall undertake to identify and collect unclaimed property subject to report and delivery to the State under Tennessee Code Annotated, Title 66, Chapter 29 from persons, firms and entities that are holding or in possession of such property (all such property is hereinafter referred to as Abandoned Property). Abandoned Property includes the following:

- (1) Unclaimed dividends.
- (2) Unclaimed or unpaid interest owing on debt obligations.
- (3) Principal sums unclaimed or unpaid in connection with matured debt obligations.

(4) Unclaimed or undelivered securities, warrants, rights, unconverted preferred stock and other intangible interests in business associations.

(5) Outstanding securities and other intangible interests in a business association ("underlying shares").

(6) Liquidations and any other distributions resulting from the liquidation or reorganization of a business association.

(7) Unclaimed interests in mutual funds.

(8) Such other property as covered under Tennessee Code Annotated, Title 66, Chapter 29.

b. In conjunction with the identification and collection of Abandoned Property, the Contractor shall:

(1) Process records of Abandoned Property obtained from holders and/or their agents;

(2) Prepare reports of Abandoned Property in accordance with the requirement of the State's unclaimed property law; and

(3) Demand from holders and/or their agents delivery of the Property deemed owing under the State's unclaimed property law in accordance with Section A.12 below.

**3. Examination Procedures.** The examination of the books and records of the holders of Abandoned Property, the findings in connection with the review of such records, and the demand for delivery of reportable property shall be made pursuant to the following procedures:

a. The holdings of the U.S. Supreme Court in *Texas v. New Jersey* (85 S.Ct. 1136) and *Pennsylvania v. New York* (92 S.Ct. 2880) and any applicable federal legislation regarding which state has the right to abandoned property shall be followed.

(1) Where the name and last known address of the apparent owner according to the books and records of the holder is in Tennessee, it shall be deemed to be reportable to Tennessee.

(2) If the holder has no records whatsoever setting forth the name and last known address of the apparent owner, the property shall be deemed reportable to the state of incorporation of the holder.

(3) An address shall be deemed to mean a description of location sufficient for the delivery and receipt of mail.

(4) Where the address of the apparent owner cannot be readily ascertained but in fact exists in the books and records of the holder, sampling techniques may be used to allocate the property among the states participating in the review. In such event, if required, sampling techniques will also be utilized to ascertain the proportion of the total reportable property for which the holder has names and last known addresses. The Contractor agrees that any sampling technique shall be subject to the State's prior consent.

(5) If the State's Unclaimed Property Law provides an express cutoff date setting forth when the obligation of a holder to report commenced, it will be used.

(6) If the Unclaimed Property Law does not set forth a cutoff date, the holding in *Douglas v. Cranston* (58 Cal.2d 462) will be followed and the obligations of the holder will be deemed to require the reporting of all unclaimed property in the possession of the holder on which the statute of limitations had not yet run as of the effective date of the adoption of the State's Unclaimed Property Act. However, in those instances where the State advises the Contractor that state law permits retroactive extension or abolition of the statute of limitations, the longest period otherwise permitted by law shall be used (subject to the availability of the records of the holder).

(7) If the amount of reportable unclaimed property cannot be ascertained from the books and records of the holder, statistical estimation techniques may be used for such periods.

b. Notwithstanding the provisions of Subsection a. of this Section, nothing contained therein shall prevent, waive or otherwise affect the right of the State to claim from any other state property reported and delivered to such state according to the provisions of Subsection a.

The Contractor shall, upon request of the State, provide the State with such information as may have been obtained relevant to such claim.

**4. *Work in Progress Reports.*** The Contractor shall provide the State on a monthly basis with a Work in Progress Report, which sets forth all new record processing to be commenced and all record processing not yet completed, including reports in process, property requested, property in reconciliation, and property pending delivery. On a semi-monthly basis, the Contractor shall provide the State with an Agreed to Participate ("ATP") list setting forth all holders that have agreed to work with the Contractor since the last ATP list. The State may direct the Contractor not to process records on behalf of the State for a particular holder, provided the Contractor has not commenced record processing of such holder.

**5. *Joint Efforts with Participating States.*** The State hereby acknowledges and agrees that the services contemplated hereby are being undertaken concurrently with several other states which have entered into similar agreements with the Contractor (hereinafter referred to as the Participating States) having similar demands in connection with their respective unclaimed property laws.

**6. *Executive Committee of Participating States.*** The Contractor shall assist in the formation and organization of an Executive Committee of the Participating States and will regularly advise the Executive Committee of common issues of policy, fact and law relating to the matters covered by this Contract. The Executive Committee will consist of a representative from each Participating State. The Executive Committee will provide advice and guidance regarding the performance of the obligations hereunder and particularly as to formal holder examinations and litigation matters. The Executive Committee will meet semi-annually or more often as required. It is the intent of this Contract that whenever possible each of the Participating States, and the Contractor on their behalf, shall attempt to comply with the policies of the Executive Committee. Provided, however, it is agreed and understood that the State shall not be bound by any policy decision made by the Contractor or the Executive Committee unless the State agrees to such decision in writing to the Contractor.

**7. *Provision of Report Forms.*** The Contractor shall provide to potential holders of Abandoned Property, identified through procedures described in Section A.8.c below, with a compliance manual describing the operation and effect of the pertinent provisions of the State's abandoned property law as it applies to such property. Such manual shall be reviewed and approved in advance by the State prior to the Contractor's distribution of the same to potential holders.

**8. *Unified Report Forms.***

a. Where possible, in order to promote compliance and facilitate reporting, the State shall agree to the use of a common report format to be utilized in conjunction with the Participating States in these joint reporting and collection efforts. Such forms shall be developed with the assistance of the Executive Committee of the Participating States and shall be subject to the approval of this State.

b. If the State has adopted or hereafter adopts procedures for the reporting of Abandoned Property via magnetic medium, the Contractor shall provide the State with the information contained in its report via magnetic medium.

c. The Contractor shall identify potential holders of Abandoned Property through procedures based on the analysis of cash and stock dividend payment information, capital reorganizations, liquidations, bond issuance and other transactions likely to result in Abandoned Property.

**9. *Due Diligence and Subsequent Reporting.*** The Contractor shall advise holders identified through procedures described in Section A.8.c above of their obligation to exercise due diligence to ascertain the whereabouts of Abandoned Property owners. The Contractor shall further advise such holders of their continuing obligation to report Abandoned Property directly to the State.

**10. *Enforcement Efforts.*** If a holder fails or refuses to report and deliver Abandoned Property, the Contractor, on behalf of the State, shall cause the holder's records of Abandoned Property to be reviewed and shall make demand for a report and delivery of such property and shall notify the State of such failure and demand. In the event the State decides to file suit to

recover the property, such suit shall be filed by the Tennessee State Attorney General. The Contractor shall cooperate fully with State attorneys, and shall provide such attorneys with all records and other information in the Contractor's possession regarding the property sought to be obtained.

**11. Disclosure of Findings.** The Contractor may disclose information it acquires hereunder to the Participating States pursuant to a plan whereby the State similarly benefits from such reciprocal disclosures. Except as expressly allowed in this Contract, the Contractor shall not disclose any information it may obtain hereunder and all such information is acknowledged to be held confidentially for the State.

**12. Delivery of Property.** Once all abandoned property is identified and collected, the abandoned property shall be promptly delivered and forwarded to the Contractor for safekeeping as provided in Sections A.15 – A.22. All abandoned property so delivered shall be properly endorsed or placed in such other form as necessary for the proper transfer of the property to the State. This requirement shall also include, where possible, deleting the name of an owner from securities held by a transfer agent or in a vault or storage area of a bank, or lost securities held by a safe deposit company or bank, and substituting in lieu thereof "State Treasurer of Tennessee", or in the name of a nominee established for the sole use of the State.

**13. Valuation of Property.** The Contractor shall determine the value of securities delivered hereunder at the closing price of any security traded on an Exchange on the date the security is received by the Contractor, or if traded in the over-the-counter market, at the bid price as set forth in the pink sheets on the date the security is received by the Contractor. Unlisted securities or other personal property without a listed value applicable to such property shall be valued in accordance with generally accepted valuation procedures applicable to such property. The Contractor shall provide to the State corporate action information relative to securities processed subsequent to the delivery of such property, as requested by the State. Such information shall include, on a per share basis, the accumulative dividends, splits and present market value as of the report date or as of such other dates as may be requested by the State.

**14. Unclaimed Property Reports.** Upon transfer of property to the State pursuant to Section A.18.h below or upon receipt of securities or upon registering the same in the name of the State or in the State's nominee name pursuant to Section A.12, the Contractor shall render an Abandoned Property report to the State with respect to such property on a computer tape/diskette containing all the information specified in the State's unclaimed property forms. Said information shall be provided in the field format as shall be agreed to by the Contractor and the State.

**15. Custody of Abandoned Property.** The State hereby appoints the Contractor as custodian for the safekeeping of securities and cash identified and collected on behalf of the State from holders of Abandoned Property, and the Contractor accepts such appointment and agrees to retain all such property received on behalf of the State at 260 Franklin Street, 11<sup>th</sup> Floor, Boston, Massachusetts 02110, except as otherwise provided below.

**16. Responsibility.** The Contractor shall not to make any other use or disposition or take any action with respect to the Abandoned Property and the cash derived therefrom except in accordance with the terms of this Contract.

**17. Custodial Banks.**

a. Upon written direction of the State and in accordance with the terms of this Contract, the Contractor is authorized to hold securities collected on behalf of the State hereunder in a domestic or foreign depository or book-entry system, at a domestic or foreign subcustodian or in a domestic or foreign book-entry system for the central handling of securities, hereinafter collectively referred to as "Custodian Banks", or singularly referred to as "Custodian Bank".

b. The Contractor shall identify on its books as belonging to the State any securities held by a Custodian Bank. In the event any of such securities is to be held by a Custodian Bank, such Custodian Bank shall be required by its agreement with the Contractor to identify on its books such securities as being held for the account of the Contractor for its customers. The Contractor shall only deposit securities in an account with a Custodian Bank, which includes exclusively the assets held by the Contractor for its customers, and the Contractor shall cause

such account to be designated by such Custodian Bank as a special custody account for the exclusive benefit of customers of the Contractor.

c. The Contractor will authorize the holding of securities by a Custodian Bank only (i) to the extent that securities are not subject to any right, charge, security interest, lien or claim of any kind in favor of such Custodian Bank and (ii) to the extent that beneficial ownership of such securities is freely transferable without the payment of money or value. Any costs, fees or expenses associated with the safekeeping and servicing of the securities by a Custodian Bank shall be the responsibility of the Contractor.

#### ***18. Custodial Duties.***

a. The Contractor shall register securities of the State held by it in the name of the State pursuant to Section A.12 hereof, or in the name of a nominee established for the sole use of the State. If securities are registered in a nominee name, the Contractor shall collect on behalf of the State dividends, interest or other distributions therefrom and credit the same to the State.

b. The Contractor shall promptly execute all proxies in favor of management unless otherwise instructed by the State and mail said proxies to the address specified.

c. The Contractor shall promptly transmit to the State written information on any non-mandatory corporate actions (including, without limitation, tendency of calls and maturities of securities and expirations of rights in connection therewith) received by the Contractor from a Custodian Bank or from issuers of the securities. With respect to tender or exchange offers, the Contractor shall transmit promptly to the State written information received by the Contractor from a Custodian Bank or from issuers of the securities whose tender or exchange is sought or from the party (or his agents) making the tender or exchange offer.

d. Upon receipt of proper instructions from the State, the Contractor shall exchange securities held for the account of the State for other securities or for other securities and cash, and to expend cash, in connection with any merger, consolidation, reorganization, recapitalization, split-up of shares, changes of par value or conversion or in connection with the exercise of subscription or purchase rights, or otherwise.



e. Upon receipt of proper instructions from the State, the Contractor shall make delivery of securities which are being liquidated by the State, or which have been called, redeemed, retired, or otherwise become payable, upon payment therefore. All such payments are to be made in cash, by certified check or treasurer's or cashier's check, by wire transfer or in the case of delivery through a securities depository, by credit by the securities depository, all in accordance with street custom or the rules and regulations of the securities depository.

f. Promptly execute all mandatory corporate actions as required.

g. The Contractor shall maintain for a period of not less than one (1) year records of all receipts, deliveries and locations of securities, funds, and other property, together with a current inventory thereof.

h. Unless otherwise directed pursuant to Section A.20 of this Contract, the Contractor shall transfer to the State all property held for the State, other than securities, on the tenth business day of the month for property received the prior month, unless the total property value is \$5,000.00 or more. In such event, the property shall be transferred to the State as promptly as possible. All transfers of cash to the State shall be made via wire transfer to the State Trust of Tennessee; Transit Routing Number 064000266; Attention: Unclaimed Property, Director; or to such other account or depository as the State may designate in writing. All other property to be transferred pursuant to this Paragraph shall be sent to the State at the address indicated in Section E.2 hereof.

#### ***19. Bank Account.***

a. The Contractor shall, pending delivery to the State, retain cash of the State in a separate account or accounts in the State's name with a Custodian Bank, subject only to draft or order by the Contractor acting pursuant to the terms of this Contract.

b. The Contractor shall collect, receive and deposit in the bank account maintained pursuant to Subsection a. of this Section all cash and income and other payments with respect to the property held hereunder.

c. The Contractor reserves the right to reverse erroneous entries to the State's account and to charge the account for the amount of property for which payment has not been made. The Contractor shall promptly notify the State in writing of such action.

d. The Contractor shall render such reports relative to the account maintained pursuant to Subsection a. of this Section as agreed upon from time to time between all parties.

**20. Collateral and Notice.** The Contractor shall cause all funds held by a Custodian Bank in the name of the State to be collateralized in accordance with Tennessee Code Annotated, Title 9, Chapter 4, Parts 1 and 4 when the total amount of such funds exceeds the Custodian Bank's FDIC coverage for the State's account(s). The Contractor shall notify the State promptly if at any time such total amount exceeds seventy-five thousand dollars (\$75,000.00), and upon request of the State, transfer such funds and securities to the State.

**21. Account Balances.**

a. The Contractor agrees the State shall receive an interest credit monthly on funds attributable to the State and held by a Custodian Bank pending delivery. The interest credit shall be equal to the target Federal funds rate for the respective month as published in the *Wall Street Journal*. Where the actual amount of funds attributable to the State cannot be readily ascertained, the State shall be credited with a prorated portion of said investment earnings on such unattributed funds based on the State's prorata share of the total value of all property deliveries made by the Contractor to all states during the preceding month. The interest credit shall be used to offset compensation payable to the Contractor pursuant to Section C of this Contract.

b. Within six (6) business days at the close of each month, the Contractor shall provide to the State a statement of interest credit earned on the State's funds during the preceding month. Such statement shall itemize the amount of funds earning interest, the interest rate and the total interest credit.

**22. Instructions.**

a. The Contractor shall be deemed to have received proper instructions from the State hereunder upon receipt of written instructions signed by one or more persons as the State shall

from time to time authorize to give the particular instructions in question. Different persons may be authorized to give instructions for different purposes.

b. A certified copy of a resolution or action of the State may be received and accepted by the Contractor as conclusive evidence of the authority of any such person or persons to act and may be considered as in full force and effect until receipt of written notice to the contrary.

c. Instructions shall not be valid if cash is directed to any location other than as specified in Section A.18.h hereof.

d. Instructions may be general or specific in terms, and unless specified to the contrary, the Contractor is authorized to act upon such instructions whether given orally, by telephone, telex or otherwise.

e. In performing the services hereunder, the Contractor shall be entitled to rely upon the accuracy, timeliness, and authenticity of any and all records, information and input media provided to the Contractor by the State or by an authorized party designated in writing by the State, provided that such records, information and input media meet reasonable commercial standards of practice of the industry.

**B. CONTRACT TERM:** This Contract shall be effective for the period commencing on March 15, 2006 and ending on March 14, 2009. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

**C. PAYMENT TERMS AND CONDITIONS:**

**1. Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed three million dollars (\$3,000,000.00). The Payment Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Payment Rates include, but are not limited to, all applicable taxes, fees, overheads, profit, and all other direct and indirect costs incurred or to be incurred by the Contractor. The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of

any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with Payment Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

**2. Compensation Firm.** The Payment Rates in Section C.3 and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to increase for any reason unless amended.

**3. Payment Methodology.** The Contractor shall be compensated based on the Payment Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor shall be compensated based upon the following Payment Rates:

*a. Contingency Fee Rate.* In consideration of the services performed as required in this Contract, the State shall pay the Contractor a sum equal to twelve and one-half percent (12.5%) of the value of the "Net Abandoned Property" (a term hereinafter defined) actually paid or delivered to the Contractor on behalf of the State by an Abandoned Property holder (in its initial report), less the amount of interest credited to the State pursuant to Section A.21 above.

*b. Definition of Net Abandoned Property.* Net Abandoned Property shall be determined as follows: The gross value of all Abandoned Property received by the Contractor on behalf of the State hereunder reduced by the total of the following:

(1) The value of all Abandoned Property delivered by a holder which otherwise would have been delivered pursuant to the reporting practices of the holder as they existed prior to the execution of this Contract; and

(2) The value of any Abandoned Property reported by a holder incorporated in the state of Tennessee; and

(3) The value of any Abandoned Property delivered by a holder whose books had previously been reviewed by the Contractor and which review resulted in Abandoned Property actually being paid or delivered to, or on behalf of, the State by the holder.

*c. Definition of Value of Abandoned Property.* The value of Abandoned Property, if other than cash, shall be the closing price of any security traded on an exchange on the date the property is received by the Contractor. If the property is a security traded over-the-counter, it shall be the bid price as set forth in the pink sheets on the date the property is received by the Contractor. For any other property, the value shall be determined according to generally accepted valuation procedures.

*d. Fee Waiver.* The Contractor shall waive its fees otherwise owing hereunder in the event the total property value for any single delivery batch is less than five hundred dollars (\$500.00).

*e. Contingency of Fees.* All fees of the Contractor hereunder shall be contingent on the recovery and collection of Abandoned Property.

*f. Refund of Fees.* In the event a holder has failed to perform due diligence and in the event, within two years of receipt of the report by the State, the owner is located at the last known address as shown on the records of the holder, the Contractor shall refund, upon written notice from the State, its fees received under this Section C.3 in connection with property reported by the Contractor and claimed by that owner. Such written notice shall include a copy of the paid claim of the State. A holder shall be deemed to have failed to perform due diligence if the State locates the owner at the owner's last known address as shown on the holder's records, unless the Contractor furnishes the State with a copy of the notice mailed to the owner by the holder as required in Tennessee Code Annotated, Section 66-29-113(f).

**4. Invoice Submittal.** The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service for the amount stipulated. Such invoices shall, at a minimum, include a statement of the Net Abandoned Property the Contractor delivered to the State for the period invoiced, the total amount requested for the period, and the manner in which such amount was calculated pursuant to Section C.3 of this Contract.

**5. *Provision of Expenses.*** The Contractor shall be responsible for the payment or making provision for the payment of all expenses incurred in connection with all services provided herein. Notwithstanding anything in Section D.5 hereof to the contrary, it is acknowledged and agreed that the Contractor on its behalf will enter into agreements with other persons, firms and entities to assist in the performance of this Contract, including retaining local counsel; provided, however, that in no event shall this Contract serve as authorization for the Contractor to file suit in the name of the State. The payment for all such services shall be the sole responsibility of the Contractor and nothing contained herein shall obligate or otherwise make the State responsible for the payment of any such expenses.

**6. *Reduction in Fees.*** If the Contractor, during the term of this Contract, enters into a similar arrangement with any other Participating State that provides for fees to the Contractor that is less than the fees set forth above, then this Section shall be deemed automatically amended to substitute said fees in place of the fees provided for herein. The Contractor warrants that, as of the date of this Contract, the Contractor does not have a similar current arrangement with any other state that provides for fees to the Contractor that is less than the fees set forth above.

**7. *Travel Compensation.*** The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

**8. *Payment of Invoice.*** The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

**9. *Invoice Reductions.*** The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.

**10. *Deductions.*** The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor

and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.

**11. Automatic Deposits.** The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.

**D. STANDARD TERMS AND CONDITIONS:**

**1. Required Approvals.** The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.

**2. Modification and Amendment.** This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.

**3. Termination for Convenience.** The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) calendar days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

**4. Termination for Cause.** If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above,

the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

**5. Subcontracting.** The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

**6. Conflicts of Interest.** The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

**7. Nondiscrimination.** The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

**8. Records.** The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.



**9. Monitoring.** The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

**10. Progress Reports.** The Contractor shall submit brief, periodic, progress reports to the State as requested.

**11. Strict Performance.** Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

**12. Independent Contractor.** The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

**13. State Liability.** The State shall have no liability except as specifically provided in this Contract.

**14. Force Majeure.** The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.

**15. State and Federal Compliance.** The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.

**16. Governing Law.** This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.

**17. Completeness.** This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

**18. Severability.** If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

**19. Headings.** Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

**1. Conflicting Terms and Conditions.** Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

**2. Communications and Contacts.** All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set

forth below *or* to such other party, facsimile number, or address as may be hereafter specified by written notice.

*The State:*

Tennessee Treasury Department  
ATTN: Director, Unclaimed Property Division  
9th Floor, Andrew Jackson State Office Building  
500 Deaderick Street  
Nashville, TN 37243-0242  
Telephone: (615) 741-6499  
Telefax: (615) 532-4979

*The Contractor:*

ACS Unclaimed Property Clearinghouse, Inc.  
ATTN: Executive Vice President  
260 Franklin Street, 11<sup>th</sup> Floor  
Boston, MA 02110  
Telephone: (617) 722-9696  
Telefax: (617) 722-9697

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

**3. Subject to Funds Availability.** The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general,

special, incidental, consequential, or any other damages whatsoever of any description or amount.

**4. *Workpapers Subject to Review.*** The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.

**5. *Date/Time Hold Harmless.*** As required by Tennessee Code Annotated, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.

**6. *Hold Harmless.*** The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by Tennessee Code Annotated, Section 8-6-106.

**7. Security.** The Contractor shall not pledge, assign, hypothecate or otherwise encumber property of the State.

**8. Termination for Convenience.** In the event the State terminates this Contract for convenience pursuant to Section D.3 above, the Contractor shall be entitled to the fees provided for in Section C.3 of this Contract for all property subsequently delivered to the State pursuant to reports prepared by the Contractor or subsequently filed by a holder with the State as a result of the Contractor's performance of its obligations hereunder.

**9. Property Dispute.** Notwithstanding any provision of this Contract to the contrary, should the Contractor receive notice of any dispute with respect to the delivery, ownership, right of possession, and/or disposition of any property before it is delivered to the State under this Contract, the Contractor, upon receipt of written notice of such dispute or claim, and to the extent that the State has a claim for custody of such property, is authorized and directed to instruct the Custodian Bank to retain in its possession any of said property in dispute until such dispute shall have been settled either by the mutual agreement of the parties involved or by a final order, decree or judgment of a court in the United States of America, the time for perfection of an appeal of such order, decree or judgment having expired. The Contractor shall notify the State within ten (10) calendar days of receipt of such written notice, and such notification shall include the verified written explanation required by Tennessee Code Annotated, Section 66-29-115, or a copy of pleadings or other documents filed with a court regarding such dispute. The Contractor agrees to cooperate fully with the State in order to enable the State to protect its rights to custody of the property.

**10. Indemnity.** The State shall reimburse the Contractor for any claims that may arise against the Contractor in connection with property delivered to the State pursuant to this Contract, subject to the provisions of Tennessee Code Annotated, Section 66-29-116. The Contractor shall give the State prompt notice of any such claim against it.

**11. Transition of Services Upon Termination.** Upon the natural expiration of this Contract or in the event of its termination for any reason, the Contractor shall transfer in accordance with the State's instructions all Abandoned Property, records and other property of

the State to whomever the State may designate in writing to the Contractor. The Contractor agrees to cooperate with the State, and any subsequent Contractor selected by the State to perform the services hereunder, in the transition and conversion of such services. The Contractor shall remain liable to the State under this Contract for any acts or omissions occurring on or prior to the date on which all property of the State and all services hereunder have been successfully transferred or converted in accordance with this Paragraph.

IN WITNESS THEREOF, the parties have by their duly authorized representatives set their signatures.

AFFILIATED COMPUTER SERVICES, INC.

BY: \_\_\_\_\_  
(Signature)

DATE: \_\_\_\_\_

\_\_\_\_\_  
(Typed or Printed Name and Title)

STATE OF TENNESSEE,  
DEPARTMENT OF TREASURY

BY: \_\_\_\_\_  
Dale Sims, Treasurer

DATE: \_\_\_\_\_

APPROVED:  
STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION

BY: \_\_\_\_\_  
M. D. Goetz, Jr., Commissioner

DATE: \_\_\_\_\_

STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY

BY: \_\_\_\_\_  
John G. Morgan, Comptroller

DATE: \_\_\_\_\_